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The original instrument was prepared by Riley Boudreaux. The following digest, which does not constitute a part of the legislative instrument, was prepared by Thomas L. Tyler.

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## DIGEST

### Marionneaux (SB 21)

Present constitution provides that 1/5 of the severance tax on all natural resources other than sulphur, lignite, or timber shall be remitted to the governing authority of the parish in which severance or production occurs. The initial maximum amount remitted to the parish in which severance or production occurs cannot exceed \$850,000. Provides that the maximums are to be increased each July 1<sup>st</sup> beginning in 2008 by an amount equal to the average annual increase in the Consumer Price Index for all urban consumers, as published by the U.S. Dept. of Labor, for the previous calendar year, as calculated and adopted by the Revenue Estimating Conference.

Proposed constitutional amendment provides that effective for any fiscal year in which the Revenue Estimating Conference estimates in the last official forecast occurring before the start of such fiscal year that severance tax collections on natural resources other than sulphur, lignite, or timber exceeds the actual amount of such severance taxes collected in Fiscal Year 2008-2009, then the maximum amount which shall be remitted to the parish in which severance or production occurs is increased from \$850,000 to \$2,850,000 in that fiscal year.

Proposed constitutional amendment retains the CPI increase provision.

Proposed constitutional amendment defines the term "excess severance tax" to mean the amount of severance tax remitted to a parish which is in excess of the amount remitted to the parish in the most recent fiscal year in which the increased remittance did not occur.

Proposed constitutional amendment requires that at least 50% of the excess severance tax funds received by a parish be used only in the same manner and for the same purposes as money from the Parish Transportation Fund.

Proposed constitutional amendment provides that, after the allocations of severance tax to the parishes and to the Conservation Fund and the Coastal Protection and Restoration Fund have been satisfied, effective for any year in which the Revenue Estimating Conference, in its last official forecast beginning before the start of such fiscal year, estimates that the severance tax and royalties collected on natural resources other than sulphur, lignite, or timber will exceed such taxes collected in FY 08-09, then an amount equal to 50% of the revenues received from severance taxes collected on state lands, not to exceed \$10 million, within the Atchafalaya Basin is to be deposited into the Atchafalaya Basin Conservation Fund. The money in the fund must be appropriated to the Dept. of Natural Resources to be used exclusively to fund projects contained in the state or federal Basin master plans or an annual Basin plan developed by an Atchafalaya Basin Research and Promotion Board and such other advisory or approval boards which the legislature must create or provide for by law within the Atchafalaya Basin Program, or to provide

match for the Atchafalaya Basin Floodway System, Louisiana Project, all as the secretary of the Department of Natural Resources shall direct.

Proposed constitutional amendment provides that 85% of the monies must be used for water management, water quality, or access projects within the Atchafalaya Basin, and the remaining 15% may be used to complete ongoing projects and for projects that are in accordance with the mission statement of the state master plan. A maximum of 5% of the money may be allocated for operational costs of the program or the department.

Proposed constitutional amendment provides that the increased remittances of severance taxes and royalties shall not occur before Fiscal Year 2011-2012.

Specifies submission of the amendment to the voters at the statewide election to be held on November 2, 2010.

(Amends Const. Art. VII, Section 4(D)(3); adds Const. Art. VII, Section 4(D)(4))

#### Summary of Amendments Adopted by Senate

##### Senate Floor Amendments to engrossed bill.

1. Adds provision providing for the Revenue Estimating Conference, in its last official forecast before the start of a fiscal year, to estimate that severance tax collections exceed the actual amounts collected in Fiscal Year 2008-2009.
2. Clarifies that "excess severance tax" means the amount of severance tax remitted to a parish which is in excess of the amount of severance tax remitted to the parish in the most recent fiscal year in which the increased remittance did not occur.
3. Adds provision that the increased remittances of severance taxes and royalties not occur before Fiscal Year 2011-2012.